

Message Text

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17

ACTION TRSE-00

INFO OCT-01 EA-06 ISO-00 EB-07 L-02 CIAE-00 INR-07 NSAE-00

/023 W

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R 130646Z MAR 75

FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC 7016

LIMITED OFFICIAL USE JAKARTA 3016

EO 11652: N/A

TAGS: EFIN ID

SUBJ: INCOME TAX CONVENTION US-INDONESIA

REF: STATE 41882 AND PREVIOUS

1. THIS MESSAGE REPORTS STATUS OF TAX TREATY DISCUSSIONS WITH INDONESIAN AND SIDE-LETTER LANGUAGE WE DEVELOPED FROM DEPARTMENT'S GUIDANCE.
2. PRINCIPAL INDONESIAN TAX TREATY NEGOTIATER ACHMAD DIN INFORMED US MARCH 12 THAT TREATY TEXT WILL BE SUBMITTED, TOGETHER WITH PROPOSED TEXT SIDE LETTERS, TO DIRECTOR GENERAL MARCH 13, AND HE EXPECTS IT WILL BE FORWARDED WITHOUT DELAY TO FINANCE MINISTER FOR HIS APPROVAL PRELIMINARY TO INITIATING.
3. INDONESIAN FOREIGN MINISTRY (DEPLU) OPTS IN FAVOR OF FORMAL STYLE FOR EXCHANGE OF SIDE LETTERS. TAX DIRECTORATE PROPOSED ONE FURTHER CHANGE IN OUR SIDE LETTER TO THE INDONESIANS WHICH WE FELT US TREASURY DEPARTMENT WOULD FIND ACCEPTABLE: OMISSION OF WORD "OTHER" FROM FIRST SENTENCE OF THE THIRD PARAGRAPH. OUR TRANSLATION OF AGREED TEXT INTO FORMAL FIRST-PERSON NOTE STYLE, WITH THIS CHANGE, NOW READS:

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"EXCELLENCY:

"I HAVE THE HONOR TO REFER TO THE INCOME
TAX CONVENTION SIGNED TODAY BETWEEN THE REPUBLIC
OF INDONESIA AND THE UNITED STATES OF AMERICA,
AND TO STATE THE UNDERSTANDING OF THE UNITED
STATES GOVERNMENT WITH REFERENCE TO ARTICLE 24
THAT EACH COUNTRY....

"IT HAS BEEN CUSTOMARY....

"THE UNITED STATES ALSO RECOGNIZES THE
POSSIBILITY THAT TAX MEASURES MAY BE ADOPTED HAVING
SIMILAR OBJECTIVES. HOWEVER, IT IS THE UNDER-
STANDING....

"ACCEPT, EXCELLENCY, THE RENEWED ASSURANCES OF
MY HIGHEST CONSIDERATION.

AMBASSADOR SIGNATURE

4. FIRST-PERSON NOTE IN RESPONSE AS DEVELOPED BY
EMBASSY FROM TEXT IN JAKARTA 13963 APPROVED STATE
22038 READS AS FOLLOWS:

"EXCELLENCY:

"I HAVE THE HONOR TO ACKNOWLEDGE YOUR
EXCELLENCY'S NOTE NO OF TODAY'S DATE
RELATING TO THE INCOME TAX CONVENTION SIGNED
TODAY BETWEEN THE REPUBLIC OF INDONESIA AND THE
UNITED STATES OF AMERICA, AND TO STATE THAT
THE GOVERNMENT OF INDONESIA HAS TAKEN COGNIZANCE
OF IT.

"ACCEPT, EXCELLENCY, THE RENEWED ASSURANCES
OF MY HIGHEST CONSIDERATION.

FOREIGN MINISTERS SIGNATURE
NEWSOM

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TAX LAW, AGREEMENTS, INCOME TAXES
Control Number: n/a
Copy: SINGLE
Draft Date: 13 MAR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: CunninFX
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975JAKART03016
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750089-0293
From: JAKARTA
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1975/newtext/t19750355/aaaabxfi.tel
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Original Handling Restrictions: n/a
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Margaret P. Grafeld
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